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A. Scherbatskoy is directed towards the monitoring of bore conditions rather than equipment conditions.....	10
B. Scherbatskoy relates to using hydraulic shock waves for telemetering bore data while the claimed invention uses "downhole circuitry to signal a change in downhole equipment condition."	10
C. Scherbatskoy discloses a pressure variation caused by cycling a valve for telemetry purposes, and not the "method of claim 14, wherein said reduction in	

drilling fluid long-time average pressure is caused by irreversible movement of a valve."	12
D. Scherbatskoy discloses downhole sensors to measure bore conditions, not sensors capable of measuring downhole equipment conditions.	12
V. THE COMBINATION OF RANDALL AND SCHERBATSKOY DO NOT RENDER THE "ADAPTIVE FILTER WHICH ANALYZES DATA FROM SENSORS LOCATED ON THE DRILL STRING" IN THE CLAIMED INVENTION OBVIOUS UNDER 35 USC § 103(A)	13
A. The cited prior art actually teaches away from the claimed invention.	13
B. Neither Randall nor Scherbatskoy teach the problem of downhole bit failure. .	14
C. Even if the references could be properly combined, the combination of the references would not form the presently claimed invention.	14
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